

LANCASTER CITY COUNCIL PENSION - EMPLOYER DISCRETIONS

STATEMENT OF POLICY 2015

Lancaster City Council has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the above regulations.

Introduction

The Local Government Pension Scheme (LGPS) Regulations, and the local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 provide for certain discretionary functions to be exercised by the Council. This documents sets out the Council's policy of how it will exercise its discretions under the following legislation:

- Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013
- Paragraph 2 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.
- Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Regulation 106 of the Local Government Pension Scheme Regulations 1997

Pension Discretions Exercised by Lancaster City Council

PART A

A1 – Discretions from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members) in accordance with:

The Local Government Pension Scheme Regulations 2013

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended).

- Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013
- Paragraph 2 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
- Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Regulation 106 of the Local Government Pension Scheme Regulations 1997

Discretionary Power: For the Council to award additional pension

(Regulation 31 of the LGPS Regulations 2013)

An employer can grant extra annual pension of up to a maximum £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. This maximum figure that can be initially awarded will be index linked and the level increased on the 1st April each year.

Discretion Exercised:

The Council will not exercise this discretion unless it can be determined that there are exceptional and justifiable circumstances.

Discretionary Power: For the council to determine whether, how much, and in what circumstances to contribute to a shared cost APC scheme

(Regulation 16 (2) (e) and 16 (4) (e) of the LGPS Regulations 2013)

Where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2014) by making Additional Pension Contributions (APCs) an employer can voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Discretion Exercised:

The Council will not exercise this discretion, unless it can be determined that there are exceptional and justifiable circumstances.

Discretionary Power: Flexible Retirement.

Regulation 30 (6) and (8) of the LGPS Regulations 2013

Regulations 3(5), 11(2) & 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
Regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007).

The Local Government Pension Scheme allows scheme members who have attained the age of 55 to draw all or part of their retirement benefits under flexible retirement arrangements even though they have not retired providing that:

- The employer consents, and
- There has been a reduction in hours, or
- A reduction in grade.

Specifically where the employer consents to flexible retirement then, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), the employer can also allow the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008.

However, benefits taken on flexible retirement will be subject to a potential actuarial reduction if they are being drawn earlier than the member's normal retiring age (flexible retirement provisions may be operated for members potentially up to a member's 75th birthday). The reductions applied will be in accordance with guidance issued by the government actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply.

Discretion Exercised (Policy):

An employee who has attained the age of 55 can apply to draw their retirement benefits even if they have not left the council employment under the flexible retirement arrangements.

An employee wishing to apply for flexible retirement should submit their request in writing to the relevant Chief Officer indicating whether the request is on the basis of:

- A permanent reduction in hours (by a minimum of 20%)
- A reduction in grade; or
- Another post with fewer hours.

The application must set out the impact the change may have on the applicant's role, their colleagues, service delivery and the Council, and how this could be accommodated. There must be no adverse effect on the Council's service as a result of the reduction.

Where benefits on flexible retirement are being drawn earlier than the employee's Normal Pension Age, these will be actuarially reduced.

Decision relating to flexible retirement applications are delegated to the Chief Executive, who will in cases where there is no cost to the Council consider each application on its own merits.

Where flexible retirement requests are approved the Council will allow an employee to choose to draw all or part of the pension benefits they have accrued after 31 March 2008 in addition to the benefits released up to that date.

Only in exceptional circumstances, and where there is a justifiable business case, will consideration be given to waiving all or part of the reduction.

Discretionary Power: Early Retirement and Waiving Actuarial Reductions

Schedule 2 paragraphs 1(2), 2(1), 2(2) & Regulation 3 (1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014

Regulation 30(8) of the LGPS Regulations 2013

Regulation 30(5) & 30 A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

If a member leaves a local government employment before he is entitled to the immediate payment of retirement benefits, then if he/she is age 55 or more (or having attained age 55 and have previously been awarded deferred benefits after 1 April 2014) he/she may choose to receive payment of them immediately.

Any benefits payable may be reduced as appropriate in accordance with guidance issued by the Government Actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply and the employer must pay to the Pension Fund a sum representing the capital cost of waiving those reductions.

Due to the complexity in the level of protected benefits that now apply to different members, establishing what level of benefits can be waived can be difficult. Appendix 1 lists the options available to employers in terms of the level of reductions that can be waived and the grounds under which they may be waived.

Discretion Exercised:

The Council will not automatically operate this discretion to waive the actuarial reductions with each case being considered on its own merits.

PART A2 – Discretions in relation to scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 being Discretions under: (excluding councillor members)

Discretionary Power: For the Council to award additional membership

*Regulation 3 (10) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
Regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007*

An employer can within 6 months of the date of termination grant extra membership in the pension scheme to a Scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency. Note that this is a time limited discretion which expires on 30 September 2014 for those whose employment is terminated on 31 March 2014.

Discretion Exercised:

The Council will not automatically operate this discretion to grant extra membership with each case being considered on its merits.

Discretionary Power: Early release of deferred benefits with employer consent

Regulations 30(2), (5), 30 A(3) and (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007

A policy decision concerning early release of benefits needs to be made in relation to members who have left the scheme between 1 April 2008 and 31 March 2014 with deferred benefits (or suspended tier 3 benefits) who make an application to release benefits on or after age 55 and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

Discretion Exercised:

The Council will not automatically agree to release of deferred benefits in relation to members who have left the scheme between 1 April 2008 and 31 March 2014 with deferred benefits (or suspended tier 3 benefits) who make an application to release benefits on or after age 55 and before age 60, with each case being considered on its merits.

The Council will not automatically operate its discretion to waive any actuarial reduction on companionate grounds, with each case being considered on its own merits.

PART A3 – Discretions in relation to scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 and active councillor members and councillor members who ceased active membership on or after 1 April 1998

Discretionary Power: Early release of deferred benefits with employer consent

(Regulations 31(2) and (5) of the LGPS Regulations 1997)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits and councillor members who left after 1 April 1998 who make an application to release benefits on or after age 50* and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, and a Scheme sanction charge on any benefits built up after 5 April 2006.

Discretion Exercised:

The Council will not automatically agree to release of deferred benefits in relation to members who have left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits who make an application to release benefits on or after age 50 and before age 60, with each case being considered on its merits.

The Council will not automatically operate its discretion to waive any actuarial reduction on companionate grounds, with each case being considered on its own merits.

PART A4 – Discretions in relation to scheme members who ceased active membership before 1 April 1998

Regulation D11 (2) (c) of the LGPS Regulations 1995

Discretionary Power:

To grant an application from an active member who have left the scheme before 1 April 1998 who make an application on compassionate grounds to release benefits on or after age 50* and before age 60. Under these rules the sole discretion is that the Council may determine on compassionate grounds that benefits are to become payable on an unreduced basis.

*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, a Scheme sanction charge will not be payable.

Discretion Exercised:

The Council will not automatically operate this discretion with each case being considered on its merits.

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PART B

Formulation of policy in accordance with further discretions under the Local Government Pension Scheme Regulations 2013

Discretionary Power: Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

Local Government Pension Scheme Regulations 100(6) 2013.

The LGPS Regulations enable members to transfer pension rights accrued prior to joining the scheme into the LGPS, and thereby count additional pension. This election should be made within 12 months of first joining the LGPS in the employment.

Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he / she has not made such an election within 12 months of joining the LGPS.

Discretion Exercised:

The Council will not automatically operate this discretion with each case being considered on its merits.

Discretionary Power: Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.

Local Government Pension Scheme Regulations 2013 Regulation 22(7)(8)

Previous LGPS rights are automatically aggregated unless an election to keep those accrued benefits separate is received. Regulations 22 (7) and (8) allow an employer to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit following the cessation of employment (or cessation of a concurrent employment) to elect not to have the deferred benefits aggregated with their new LGPS employment (or on-going concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

Discretion Exercised:

The Council will not automatically operate this discretion with each case being considered on its merits.

Discretionary Power Contributions payable by active members

(Regulation 9 and 10 of the LGPS Regulations 2013)

An active member shall make contributions to the Scheme at the relevant contribution rate, from his pensionable pay, in each employment in which he is an active member. The contribution rate to be applied to his pensionable pay in any financial year is the rate determined by the employer with reference to the tiered contribution pay bands stated in the regulations.

Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied.

Discretion Exercised:

The Council will re-determine the % contribution rate applied from the date of the material change.

The Council will exclude non-contractual overtime in the calculation to determine employee contribution bandings.

Discretionary Power: For the Council to determine a policy for averaging pensionable pay by way of fees.

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) Regulation 11(2)

To allow a member to select a final pay period for fees to be any 3 consecutive years ending 31st March in the 10 years prior to leaving.

Discretion Exercised:

Provided that the financial implications are not material the Council will allow a member to select the final pay period for fees to be any 3 consecutive years ending 31st March in the 10 years prior to leaving.

Discretionary Power: Shared Cost Additional Voluntary Contributions (SCAVCs)

*Regulation 17 of the LGPS Regulations 2013,
Regulations 15(1)(d) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014,
Regulation 25(3) of the LGPS (Administration) Regulations 2008
Regulation 15(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)*

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

An employer can, at its discretion, contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement (SCAVC). An employer should establish whether, how much and in what circumstances to either continue with an existing SCAVC or enter into a new SCAVC.

Discretion Exercised:

The council does not intend to exercise its discretion under the various Regulations to contribute to a shared cost additional voluntary contribution arrangement (SCAVC) at this time, unless it can be determined that there are exceptional and justifiable circumstances.

Discretionary Power: Assumed Pensionable Pay

Local Government Pension Scheme Regulations 2013 Regulation 21(4) & (5)

Whether or not, when calculating assumed pensionable pay when a member:

- Is on reduced contractual pay or no pay on due to sickness or injury, or
- Is absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
- Is absent on reserve forces service leave, or
- Retires with a Tier 1 or Tier 2 ill health pension, or
- Dies in service

To include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

Discretion Exercised:

The Council will not include in the calculation of assumed pensionable pay any 'regular lump sum payment' received by the member in the 12 months preceding the date of absence where they are:

- On reduced contractual pay or no pay due to sickness or injury; or
- Absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave; or
- Absent on reserve forces service leave.

A 'regular lump sum payment' will be included in the calculation of assumed pensionable pay where received by the member in the 12 months preceding their:

- Retirement with a Tier 1 or Tier 2 ill health pension; or
- Death in service.

PART C

This policy document has been compiled in accordance with:

- Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
- Regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
- Regulation 14 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

PART C1 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended).

Discretionary Power: Redundancy and Compensation Payments

Regulation 5

The Council has the discretion to base redundancy payments on an actual week's pay where this exceeds the statutory limit.

Discretion Exercised:

The Council has elected to use the actual week's pay for the calculation of compulsory and voluntary redundancy payments.

Discretionary Power: Redundancy and Compensation Payments

Regulation 6

These regulations provide a discretionary power to award a one-off lump sum payment of up to 2 years pay (104 weeks), inclusive of any redundancy payment made. This applies to any member whose employment is terminated on the grounds of redundancy, efficiency of service.

Discretions exercised:

Voluntary Redundancy

The Council has determined that compensation/enhanced payment will be calculated using the national statutory redundancy formula.

For voluntary redundancy (VR) the Council will further enhance the compensation payment by using a multiplier of 2.2. However, the enhanced payment will not exceed the maximum statutory redundancy payment applicable at the time multiplied by 2.2.

Compulsory Redundancy

The Council will calculate compulsory redundancy compensation by using the national statutory redundancy formula. Any compulsory redundancy payment will be capped at the statutory maximum applicable at the time of dismissal.

Interest of Efficiency Terminations

Applications for early termination in the interest of efficiency, must be submitted in writing to the relevant Chief Officer. Decision relating to applications in relation to terminations in the interests of efficiency are delegated to the Chief Executive, who will consider each application on its own merits.

PART C2 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Discretionary Power: Regulation 17

Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during a period of re-employment in local government.

Discretion Exercised:

A reduction or suspension of pension would take place where the amount of new earnings together with the pension payment exceeded the annual rate of pay on leaving the first employment, with appropriate adjustments made for the effects of index linking to salary and pension benefits

Discretionary Power: Regulation 19

How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.

Discretion exercised:

The member's annual compensatory added years payment following cessation of a period of re-employment in local government will be adjusted to ensure that the member has not exceeded the membership that would have been accrued in their first employment had they continued in employment until age 65.

Discretionary Power: Regulation 21 (4)

How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.

Discretion Exercised:

Any surviving spouse's annual compensatory added years payment will be divided equally where the deceased person is survived by more than one spouse or civil partner.

Discretionary Power: Regulation 21 (7) – Before 1 April 1998

Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be dis-applied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid

Discretion exercised:

The spouse's or civil partner's annual compensatory added years payments should continue to be paid in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998.

Discretionary Power: Regulation 21 (7) On or after 1 April 1998

Whether, in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 **with another person who is also entitled to a spouse's or civil partners annual CAY payment**, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or co-habitation lasts, should be dis-applied i.e. whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them

Discretion Exercised:

The spouse's or civil partner's annual compensatory added years payments should continue to be paid to both parties and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment.

Discretion: Regulation 25 (2)

How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case how the annual added years will be apportioned amongst any eligible children.

Discretion Exercised:

Any annual added years will be divided equally amongst any eligible children.

PART C3 – Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Injury Allowance payments

The Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011, Regulations 3 to 7

Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Scheme employers must formulate, publish and keep under review a policy on the following discretions:

Regulation 3(1) - Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

Regulation 3(4) & 8 - Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

Regulation 3(2) - Determine whether a member continues to be entitled to an Injury Allowance awarded under regulation 3 (1).

Regulation 4 (1) - Whether to grant an injury allowance and determine the amount following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out the duties of the job.

Regulation 4 (3) & 8 - Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out the duties of the job.

Regulation 4(2) - Determine whether a member continues to be entitled to an Injury Allowance awarded under regulation 4 (1).

Regulation 4 (5) - Whether to Suspend or Discontinue an Injury Allowance awarded under regulation 4 (1) if the member secures paid employment for not less than 30 hours per week for a period of not less than 12 months.

Regulation 6(1) - Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a regulation 3 payment was being made at date of cessation of employment but regulation 4 does not apply.

Regulation 6(1) - Determine the amount of any injury allowance to be paid under regulation 6(1).

Regulation 6(2) - Whether to cease payment of an injury allowance awarded under regulation 6(1).

Regulation 7(1) - Whether to grant an injury allowance to the spouse civil partner, nominated co-habiting partner or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

Regulation 7(2) & 8

Determine the amount of any injury allowance to be paid under regulation 7(1)

Regulation 7(3)

Determine whether and when to cease payment of an injury allowance awarded under regulation 7(1).

Discretion Exercised:

The Council has determined that it will not adopt its discretionary powers in respect of the injury allowance regulations described above as it cannot be satisfied that such a policy would be workable, affordable and reasonable having regard to the foreseeable cost.

Decision Making

All decision in relation to pension discretions will be determined in line the Councils scheme of delegation, with due regard to the advice and recommendations of the HR & OD Manager and the Chief Officer Resources (or deputies).

Declaration

It is understood that the above discretions are applicable to all eligible members of the Scheme. In respect of the mandatory policy requirements, a written statement should be published indicating the policy which is being applied by that employer in the exercise of its functions. A copy of the scheme employer's policy decisions should be sent to Your Pension Service within one month of the date the policy is revised.

Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the Scheme employer agrees the change.

Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the Scheme employer publishes a statement of its amended policy.

The policies made above:

- i. Must have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;
- ii. Will not be used for any ulterior motive;
- iii. Will be exercised reasonably;
- iv. Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;
- v. Will be duly recorded when applied.

Signed on behalf of the Employing Authority:

Name in Block Capitals:

Position:

Employing Authority:

Date:

Signed on behalf of the Employing Authority:

Name in Block Capitals:

Position:

Employing Authority:

Date:

Appendix 1 – if voluntarily retiring

If there is an actuarial reduction regarding the particular tranche of membership, the employer has the right to –

	Group 1	Group 2	Group 3	Group 4
Part A	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.
Part B1	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on this on compassionate grounds.
Part B2	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part C	Waive all, some or none on any grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part D1	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.

- Part A = membership to 31 March 2008
- Part B1 = membership 1 April 2008 to 31 March 2014
- Part B2 = membership 1 April 2014 to 31 March 2016
- Part C = membership 1 April 2016 to 31 March 2020
- Part D1 = membership 1 April 2020 onwards

Group 1 member = a member who was an active member prior to 1 October 2006 and who was born on 31 March 1956 or earlier

Group 2 member = a member who was an active member prior to 1 October 2006, was born between 1 April 1956 and 31 March 1960 inclusive, and who would reach their CRA by 31 March 2020

Group 3 member = a member who was an active member prior to 1 October 2006 and who is not a Group 1 or Group 2 member

Group 4 member = a member who was not a member prior to 1 October 2006.

If member retires on flexible retirement, the employer may waive all, some or none of any reduction on any grounds.